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**NY 08-20**

**PE 08-16**

**To:** NY and PE Health Benefit Administrators

**From:** Employee Benefits Division (EBD)

**Subject:** 2008 NYSHIP Benefit Changes

**Date:** June 26, 2008

The State has reached contract agreements with CSEA, DC-37, PEF and UUP. The new contracts include numerous benefit changes that go into effect on July 1, 2008 and subsequent dates, with one change that is being implemented retroactive to January 1, 2008. Benefits for the "unrepresented cohorts" of NYSHIP are also being implemented as of these dates, pending final signing of a resolution by the Health Insurance Council. For the purposes of this memo, the "unrepresented cohorts" comprise the following groups: Executive and Legislative Branch M/C employees, Participating Employer (PE) employees & retirees, State retirees and miscellaneous direct pay status groups such as vestees and dependent survivors and preferred list employees. All employees of the Unified Court System (UCS), will get the benefits negotiated by the unions that represent UCS employees, which are the same as those of Executive Branch CSEA represented employees.

This memo provides a summary of the benefit changes that will take effect for the groups mentioned above as of January 1, 2008 and July 1, 2008. Information on benefit changes scheduled to occur as of January 2009 and later will be communicated separately.

Some unions do not yet have negotiated or arbitrated contract settlements. The benefits for these groups, including employees represented by Council 82, (Supervisors and ALES), NYSCOPBA, PBA, PIA and GSEU are therefore NOT affected by the changes described in this memo.

Please note these are summaries of the changes and are not intended to provide full information. Empire Plan Reports with full details on these changes are being mailed to affected enrollees and will be available online shortly. See HBA memo NY 08-18/PE 08-13 for further information regarding these publications.

If you have any questions about any of the information in this memo, please contact your agency processor for assistance.

## **CHANGE EFFECTIVE JANUARY 1, 2008**

- **Empire Plan Medical Benefit (UHC) Change**

**Prosthetic Wig Benefit:** Coverage for prosthetic wigs will change from one per lifetime to a maximum lifetime allowance of \$1,500 per individual. This benefit is payable under the Basic Medical program, not subject to deductible or coinsurance and uses the same medical necessity criteria currently in place. UHC is reviewing claims history and will issue payments for any qualified claims occurring on or after January 1, 2008. Any employees incurring expenses since January 1, 2008 that have not yet been filed should file a claim with UHC directly as soon as possible. (See July 1, 2008 Empire Plan Report for more details on this benefit).

## **CHANGES EFFECTIVE JULY 1, 2008**

### **Empire Plan Benefit Plan Changes**

- **Empire Plan Medical Benefit (UHC) Changes**

**Outpatient Surgery Locations Copayment Increase:** The copayment for covered outpatient surgery performed at UHC participating freestanding outpatient surgical locations will increase to \$30. The co-payment also covers any radiology and laboratory tests performed on the same day at the same center.

**Managed Radiology Prospective Procedure Review Program:** The Empire Plan Benefits Management Program's Prospective Procedure Review requirements will expand to include pre-notification for MRA, CT, PET and Nuclear Medicine diagnostic procedures, along with MRIs that already require pre-notification when performed on a non-emergency basis. An enrollee who does not notify UHC before having one of these procedures on or after July 1, 2008 will be subject to a payment of the lesser of 50% of the fee schedule amount or \$250.00 under the Participating Provider Program. Failure to notify UHC under the basic medical program will result in payment of the lesser of 50% of the covered hospital or medical charge or \$250.00. Enrollees will continue to be responsible for meeting their deductible, paying coinsurance as well as any provider charges above the reasonable and customary amount. Prospective Procedure pre-notification continues to apply only to Empire Plan primary enrollees.

**Herpes Zoster (Shingles) Vaccine:** The Herpes Zoster (Shingles) vaccine will be covered as a network benefit, subject to an office visit copayment, when received from a participating provider in accordance with established medical appropriateness protocols. (In general the protocol establishes medical necessity for individuals age 55 and above.) As with coverage for other adult vaccines, there is no non-network benefit.

**Shoes for Individuals with Diabetes ("Diabetic Shoes"):** Annual benefits will be available through the Home Care Advocacy Program (HCAP) for medically necessary diabetic shoes. The network benefit provides for no out of pocket cost up to an annual maximum benefit of \$500. A non-network benefit is payable under the basic medical program, subject to deductible, with the remainder of the cost to be reimbursed at 75% of the network allowance, up to an annual maximum benefit of \$500. Diabetic shoes at the network benefit level will be available through the POMAC network, Hanger and participating podiatrists. To receive the paid in full network benefit, coverage must be pre-certified by HCAP. (See July 1, 2008 Empire Plan Report for more details).

**Travel and Lodging Reimbursement for Centers of Excellence (COE):** The meals and lodging reimbursement for enrollees living more than 100 miles (200 miles for airfare) from the Center of Excellence and a traveling companion will be based on the U.S General Services Administration (GSA) per diem rate and, updated on an annual basis. These rates can be

## **CHANGES EFFECTIVE JULY 1, 2008 CONT'D.**

located at [www.gsa.gov](http://www.gsa.gov). Only one lodging reimbursement per day will be allowed. Reimbursement for travel and lodging benefits will be available as long as the patient remains enrolled and receiving benefits under the COE for Cancer Program. If the patient is a child, travel expense reimbursement continues to be available for a second companion. These changes apply to both Cancer (UHC) and Transplant (Blue Cross) Programs.

**Chronic Kidney Disease Management Program:** The Empire Plan will offer a Kidney Resource Services Program to Empire Plan primary individuals. Enrollees or dependents that have been diagnosed with Chronic Kidney Disease will be invited by United Healthcare to participate in this disease management program.

**Diabetes Education Centers:** The Empire Plan network will include Diabetes Education Centers that are accredited by the American Diabetes Association Education Recognition program. Visits to a network center for self-management counseling are covered for enrollees and dependents who have been diagnosed with diabetes. Enrollees and dependents will be responsible for an office visit copayment for each covered visit. Participating Diabetes Education Centers can be found on the Civil Service website at [www.cs.state.ny.us](http://www.cs.state.ny.us) or by contacting the Empire Plan directly at 1-877-769-7447. Covered services at a non-network diabetes education center are considered under the Basic Medical program subject to deductible and coinsurance.

### **• Empire Plan Prescription Drug Program Changes**

#### **Non-Preferred Drug Co-payment Changes:**

The copayment for up to a 30-day supply of non-preferred prescription drugs purchased at a network retail pharmacy, or through Mail Service, will increase from \$30 to \$40.

The copayment for a 31-90 day supply of non-preferred prescription drugs purchased at a network retail pharmacy will increase from \$60 to \$70.

The copayment for a 31-90 day supply of non-preferred prescription drugs purchased at the mail service pharmacy will increase from \$55 to \$65.

## **Vision Plan Changes**

### **• PEF- Represented Employees' Vision Plan Benefits**

Eligible employees and dependents will have 90 days from the date of the vision exam to purchase eyewear from a participating provider. Extension of the eyewear purchase period to 90 days is for the standard plan eyewear only. Under the occupational plan, eyewear must be ordered on the same day. A postcard will be mailed to all PEF represented enrollees to notify members of the benefit changes. Please distribute the attached PEF Vision Plan booklet insert with the current 2007 PEF Vision Plan booklets to any new employees.

## **CHANGES EFFECTIVE JULY 1, 2008, CONT'D.**

- **M/C and PE Employees' Vision Plan Benefits**

**Medical Exception Program Annual Examination:** Eligible employees and dependents with a medical condition that may impact their vision refraction, who are referred by a qualified medical provider caring for that condition may apply for a medical exception which, if granted will qualify for an annual examination. In addition, the medical exception vision benefit provides Plan coverage for new lenses upon written documentation from a qualified medical provider that the medical condition has caused vision loss that requires a new prescription, providing at least one year has elapsed since new lenses were last received. Employees and dependents eligible for the medical exception benefit are entitled to a new frame only if the existing frame is unusable or the frame and lens combination is incompatible. Please distribute the attached M/C Vision Plan booklet insert with the current 2007 M/C Vision Plan booklets to any new employees.

## **JULY 1, 2008 NYSHIP ADMINISTRATIVE CHANGES**

The following administrative changes apply to Empire Plan and HMO medical benefits for all groups receiving the July 1, 2008 changes and also to the State Dental and Vision Plans for PEF-represented employees, UCS employees with those benefits, and NYSHIP Unrepresented Cohorts. They do not apply to dental and vision benefits that are provided and administered by union-sponsored Employee Benefit Funds.

**Dependent Student Eligibility:** Covered dependent students shall be provided with a 3-month extended benefit period upon completion of each semester as a covered full-time student (or equivalent). For dependent students who withdraw from school after classes have begun for a semester and provide documentation of the date of withdrawal, coverage will end on the later of the last day of the month in which the dependent attended classes as a full-time student or the end of the third month following completion of the preceding semester. If the dependent student withdraws from school and does not provide documentation of attendance, coverage ends on the later of the first day of the non-completed semester or the last day of the third month following completion of the preceding semester. For this purpose "successful completion" means the student attended classes through the last scheduled classes of the semester. For a continuing student, it will not be necessary for an enrollee to apply to the HBA or for the HBA to process a transaction for this benefit, since benefits for each succeeding semester of continuous full time student status will overlap the extended benefits period. It will only be necessary for an enrollee to apply for the three month extension and provide proof of semester completion in cases where the dependent graduates or otherwise stops attending school on a full time basis. Details on administering this benefit will be issued by EBD.

**WORKERS' COMPENSATION (WC) Leave Without Pay (LWOP) Changes:** The following changes apply to CSEA, DC-37 and PEF-represented employees and to M/C employees.

**WC/LWOP Coverage Duration:** Effective July 1, 2008, a permanent full-time employee who is removed from the payroll due to an assault, and is granted workers' compensation leave for up to 24 months as a result of assault, may remain covered under the State Health Insurance Plan

## **JULY 1, 2008 ADMINISTRATIVE CHANGES, CONT'D.**

for the same duration and will be responsible only for the employee share of premium. Dental and vision benefits will remain in effect for the same duration at no cost to the employee. Employees who began assault related workers' compensation leaves on or after July 1, 2007 are eligible to receive the full 24 months of employee share LWOP.

### **WC/LWOP Deferred Premium Procedural Changes:**

Employees on Workers' Compensation LWOP continue to be eligible for employee share premium and to defer premiums owed during WC/ LWOP until their return to payroll or employment termination. But for leaves beginning on or after July 1, 2008, a written deferral must be provided. Enrollees will be notified by EBD in writing of their rights and choices for Continuing health insurance during Workers' Compensation leave. This notice will include an Election of Deferral of Workers' Compensation Health Insurance Premium Form. Written deferral will only be necessary for the Medical premium that will be due since there is no cost to the enrollee for dental and vision coverage while on workers compensation leave. Employees not providing a written deferral will be billed for health insurance premiums every 4 weeks, and will be cancelled for non-payment in accordance with usual LWOP billing procedures if bills are not paid. Cancellation will be retroactive to the date for which the enrollee last paid. Copies of the enrollee letter and the deferral election form are Included with this memo.

### **Special Option Transfer Period for CSEA-represented Employees and UCS Employees:**

In compliance with the CSEA and UCS Collective Bargaining Agreements, a special Option Transfer Period will be conducted **for CSEA and UCS employees only** who wish to change from the Empire Plan to an HMO with lower co-payments for third tier Prescription Drugs or Outpatient Surgery. Employees must live or work in the service area of the HMO requested. The HMOs to which changes will be permitted are:

Aetna 210	GHI HMO 220,350
Community Blue 67	Independent Health 059
Empire Blue Cross Blue Shield HMO 280, 290, 320	MVP 060, 330, 340
HIP 050	Univera 057

EBD will issue details and instructions for the special option transfer period separately.

### **New Employee Waiting Period Changes for M/C Employees:**

The new employee waiting period for Health Plan benefits (currently 42 days) and Vision Plan benefits (currently 28 days) for M/C employees hired on or after July 1, 2008 will be 56 days.